A BRIEF SUMMARY OF THE SUPPLY SITUATION
NON-FOOD MATERIALS AND FACILITIES
1952 CROP YEAR

May 28, 1952

FERTILIZERS - The strikes in Chilean nitrate mines reported last month now have ended. However, work stoppages in three domestic nitrate producing plants during the past month are expected to result in a slight reduction in current shipments.

Nevertheless, the current overall outlook for fertilizer supplies in 1952 remains about the same as in April. Supplies of nitrogen (N) are expected to total approximately 1.4 million tons, a 7 percent increase over last year - phosphate supplies will be approximately 2.23 million tons (P_2O_5) or about the same as last year's supply. The potash supply is estimated at 1.5 million short tons in terms of potassium oxide (K_2O), approximately 5 percent above last year. This reflects deliveries from U. S. producers, miscellaneous by-product materials, and a favorable balance between imports and exports.

Meanwhile, the Department's program for better utilization of fertilizers as a means of meeting food and fiber production goals and maintaining and improving soil fertility is moving forward rapidly. Representatives of Land-Grant Colleges, the Tennessee Valley Authority, and the National Association of Fertilizer Control officials met with the Department's Fertilizer Committee on May 19 and 20. This work group drafted a program of research and education aimed at efficient and proper use of the increased supplies of fertilizer which will become available as the result of the USDA sponsored fertilizer production expansion program. The expansion program has as its objective, by 1955, an increase in nitrogen supplies of 70 percent - phosphate 55 percent - potash 51 percent over the supplies available for 1951 crops.

The fertilizer work group recommended establishment of an overall Steering Committee with membership from both USDA and the Land-Grant Colleges and drafted program recommendations which will be presented to the Steering Committee for final approval as soon as the Committee can be constituted.

PESTICIDES - The overall supply continues good. Production of most pesticidal materials, particularly basic synthetic organic compounds, was maintained during the past month at the high rate previously established and record breaking stocks are reported accumulating throughout the distribution "pipe line." Part of this accumulation of stocks of pesticides, much greater than that of the past two or three years, is caused by the apparent hesitancy on the part of farmers to buy pesticides until the

[illegible] by manufacturers in exporting considerable quantities of pesticides, particularly those containing DDT and sulfur which are under [illegible] in order to reduce accumulating stocks. [illegible] for outbreaks of pests generally - as the growing season progresses, the demand for pesticides probably will increase appreciably, but supplies are expected to be adequate.

FARM MACHINERY - An adequate supply of planting, seeding and fertilizing machinery and equipment is available to meet current needs. Production of farm machinery during the last six months was at a rate somewhat below the 1949 level but inventory carryovers from the record production during the first part of 1951 have enabled dealers largely to meet farmers' needs.

Dealers are well supplied with smaller size tractors but most manufacturers report an unfilled backlog of dealer orders for the larger sizes of 3-plow and up. However, indications are that the industry is adjusting its tractor production more in line with the present pattern of needs.

The recent nation-wide survey of farmers' needs for new machinery and repair parts conducted through PMA field offices - the second to be made by PMA farmer-committees - indicates that farmers will need a total of about 16 percent more new farm machinery and equipment in 1953 than they bought in 1949. Farmers' machinery and equipment requirements for 1952 were set at 15 percent above 1949 purchases on the basis of a similar survey conducted last year. As was the case last year, the survey showed a continuation of the trend toward heavier, tractor-operated equipment and toward more modern labor-saving equipment of all types. Aggregate requirements during 1952 and 1953 for farm machinery repair parts will be about 24 and 26 percent, respectively, above 1949 sales. While current needs for farm machinery repair parts are largely being satisfied, requirements for repair parts may become greater next year than the survey indicates if production of new machinery falls very much short of requirements.

CRAWLER TRACTORS - Total demand is still running well ahead of the output although production of crawler tractors is at a record level and approaching plant capacity. Reports from the field indicate that the supply of crawler repair parts still is tight but special allocations of materials for repair parts production should ease the situation.

CONTAINERS AND PACKAGING - The general situation with regard to metal cans indicates that the needs of the food industry, particularly the 1952 perishable packs are going to be well supplied. Can inventories at mill and manufacturer levels are reported to be higher than in any corresponding historical period.

NPA Metal Can Order M-25 was amended May 14, providing a general relaxation of the order. Several important changes in the Order are as follows:

1. All Group I products which at present are not unlimited will have unlimited quotas (includes perishable foods and highly essential non-food products such as blood plasma).

2. An increase in quota percentages [illegible] 100 percent - includes such food items as [illegible] and shortening, non-food items such as tooth [illegible], paints and ointments.

3. Increase in quota percentage for Group II products from 70 to 90 percent which includes cans for beer, home-[illegible] containers for jams and jellies, pet food and other items.

The increase in can quotas may increase the industry's requirements of steel but is not expected to increase the use of tin.

Rescinded in its entirety on April 29, was the Steel Drum Order M-75, which governed the use of steel drums and shipping containers.

Current production of food processing machinery and equipment appears adequate to take care of 1952 crops. There are some indications at present that demands for food processing machinery are slackening somewhat and that processors are delaying purchase of replacement machinery where they would have to take substitutes for stainless steel in non-functional parts of the equipment. Processors apparently prefer to delay replacements rather than to take machinery partially constructed of substitute metals.

CONSTRUCTION - Look for a general relaxation of construction controls starting with the third quarter of 1952. NPA has announced that Revised CMP Regulation 6 will be amended, effective July 1, to provide several major changes. Of particular interest to USDA in the proposed amendment are the following provisions: (1) increases in the amounts of materials that may be self-authorized per quarter for general commercial construction, beginning October 1, to 25 tons of carbon steel with no limit on the portion of this amount that may be structural shapes; 750 pounds of copper; 1,000 pounds of aluminum. (2) Revocation of present restrictions in the regulation allowing use of aluminum only in industrial and public utility construction so that after July 1, it will be possible to use aluminum in all types of construction. From July 1 to October 1, 250 pounds of aluminum may be self-authorized for commercial construction. (3) Reclassification from commercial to the industrial category of construction, several types of projects which include transportation facilities, water and sewage systems. (4) Permission for self-authorization of 2,000 pounds of stainless steel per project per quarter for construction of chemical plants. (5) Provision for the same use of finished conversion steel as now permitted for foreign and used steel.

An amendment of NPA Order M-100, the housing construction order will permit, after July 1, self-authorization of 1,500 pounds of new domestic structural shapes and 200 pounds of aluminum, in addition to the present allotments of steel and copper.

NPA pointed out that these projected relaxations are subject to change in the event of altered conditions in the steel, copper, or aluminum supply situations.

As a result of the [illegible] survey of farming [illegible] February 1952, the farm construction and supplies [illegible]

BUILDING MATERIALS - The supply outlook remains about the same as reported last month. Structural steel in the wide-flange, heavy shapes still is the limiting factor in large construction projects, but is not required in the majority of smaller on-farm projects. The production of galvanized steel roofing continues to increase although extraordinary area demands, as a result of storm and flood damage, have tended to alter the normal distribution pattern of galvanized steel roofing since it has been necessary to divert extra quantities to these areas. Production and imports of barbed wire for domestic use in the first quarter 1952 totalled 62,000 tons - an all-time high. If this rate is continued, barbed wire for farm use soon should be in adequate supply. Abnormal area demands may continue due to flood damage and enactment of State stock laws such as those in Alabama and Arkansas.

AMMUNITION FOR CONTROL OF PREDATORS - Advance allocation of brass strip for civilian small arms ammunition for the fourth quarter 1952 has been set at 3.5 million pounds in contrast to a 3.3 million pounds for the third quarter. It is anticipated that supplemental allotments will be made for the third and fourth quarters. It appears that essential civilian needs are being met.

Production of hand and edge tools is at a fairly high rate and is expected to be upped a little for the third quarter - an even higher rate is expected during the fourth quarter.

RUBBER - The continuous rise in inventory of tractors and implement tires since April 1951 ended in March 1952. The current inventory still exceeds the 725,000 figure reached at the end of 1949, which the NPA Rubber Division considers normal, but is short of our goal of 1,000,000 tires believed necessary to meet the high replacement requirements expected this year.

The total production of trucks in the first quarter 1952 was 310,939, of which 261,897 were sold in the domestic market. This production level was 17 percent below production for the first quarter 1951 but 30 percent above the fourth quarter 1951.

Batteries of all kinds are in ample supply with inventories high and demand reported light.

The supply of electric motors is expected to be adequate during the third quarter of 1952. Inventories seem to be about normal and manufacturers have been assured of a sufficient supply of metals to meet sales requirements.

PETROLEUM - The work stoppage in the petroleum industry appears to be clearing up. Most of the total refinery capacity is now back in operation and it is expected that the industry will be operating again at 100 percent in the near future. At the outset of the work stoppage, immediate action was taken by OMF to obtain sufficient fuel for farming operations. While stocks at the beginning of the strike were relatively high of the principal petroleum

products - automobile gasoline, home heating oil, diesel fuel and residual fuel oil - aviation gasoline has been in short supply for some time and stocks are not adequate to meet all civilian, military and export demands. As a result, the Petroleum Administration for Defense issued PAD Order No. 6 which limited deliveries of aviation gasoline to 65 percent of [illegible] consumption. Upon request of the Department, PAD on May 16, issued a "Notice of Adjustment to PAD Order No. 6" which permitted the use of aviation gasoline in quantities necessary for seeding, fertilization, or pest or noxious growth control operations in connection with agricultural crops and for certain protective operations in forests, subject to the limitations contained in the Notice.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
WASHINGTON 25, D. C.

Office of Materials and Facilities

A BRIEF SUMMARY OF THE SUPPLY SITUATION
NON-FOOD MATERIALS AND FACILITIES

JUNE 27, 1952

The outlook for production and supplies of most materials, equipment, and facilities currently is dominated by, and largely contingent upon, the work stoppage in the steel industry. The present curtailment in steel production is estimated to be approximately 88% - this means depletion of steel inventories and shortages in supply relatively soon. Fortunately lead times are such that most materials and equipment needed for 1952 crops already are produced or are in production, but a prolonged steel strike will have a serious effect on supplies in the 1953 crop year.

Final fourth quarter allocations of controlled materials have been withheld by DPA, although partial fourth quarter allotments were made in advance with third quarter allocations. Prior to the interruption in steel production the outlook for production and supplies of most products required by Agriculture had greatly improved. The NPA already had revoked many materials control orders and was reported to be scheduling progressive easing or removal of many other controls.

Here is the current outlook for supplies of important agricultural materials, equipment, and facilities plus an appraisal of the possible effects of the steel strike.

FERTILIZERS - Nitrogen supplies now are expected to exceed quantities available in 1950-51 by around 8 or 9 percent, whereas earlier estimates placed the increase in the order of 7 percent. Loss of Chilean nitrate, due to the strikes in that country, probably will be largely offset in the over-all, by a somewhat greater production of domestic nitrates than estimated earlier. While the steel industry is the principal source of by-product ammonia, the amount of nitrogen obtained from this source is very small in relation to total nitrogen production.

The phosphate situation is about as reported in April when it was estimated that supplies would be about the same as were available last year.

Likewise there is no change in the outlook for potash with 1951-52 supplies expected to exceed last year's record supply by at least 5 percent.

STORAGE TANKS FOR ANHYDROUS AMMONIA - The steel strike, particularly if prolonged, is likely to have a serious effect on production of these tanks whereas before the strike it was expected that sufficient high quality steel plate would be available for capacity production during the fourth quarter.

PESTICIDES - The steel strike is reducing the output of benzene - an important chemical in pesticide production - by more than one half. Nevertheless, inventory stocks of pesticides generally have accumulated to the extent that this reduction in the benzene supply is expected to have little effect on supplies of pesticides during this crop year.

FARM MACHINERY - So far, production during the calendar year is around the level of the corresponding 1949 period but somewhat lower than the record production in the first half of 1951. Despite a decline in the total production of farm tractors so far this year, the output of the larger sizes (3-plow and larger) has shown a substantial increase.

Production of farm machinery to date has not been materially affected by the work stoppage in the steel industry. Manufacturers are continuing production schedules by using up inventory accumulations. In the next few days several of the major manufacturers will close down factories for the usual vacation period of about two weeks. With the drain on inventories, however, many producers will need to receive inventory replenishments shortly after the end of the vacation periods in order to resume full scale operations. Production of most seasonal equipment is fairly well completed and the impact of a protracted shut-down in steel will be felt primarily on late season items such as corn pickers and other less seasonal equipment such as dairy and barnyard supplies.

FOOD PROCESSING - No serious difficulty has been reported as yet by manufacturers of food processing machinery, although producers of specialty equipment are beginning to run into some trouble due to unbalanced inventories. Lead times in production of food processing machinery are longer than in most other areas ranging up to 9 months from the time an order is placed until the machinery is installed in a plant. As a result food processors are not likely to be seriously affected by even a prolonged strike until next year.

CONTAINERS - In the metal can industry, stocks on hand were in relatively good shape when steel production was suspended. Shortages which may result from interrupted steel production probably will show up when perishable crops are harvested late in the summer.

BUILDING MATERIALS - Supplies of building materials with the exception of structural steel, steel roofing, siding and pipe should not be affected by the steel strike for some time to come. Lumber and lumber products are in adequate supply. The acute shortage of zinc for galvanizing that existed last year and early this year has been completely overcome.

Production of galvanized steel products was fast catching up with demand prior to the interruption in steel production. The shortage of copper has been a limiting factor both in production of and products and in construction projects, but an agreement recently completed between the U. S. Government and Chile will effect a substantial increase in copper imports from that country. Other actions are being taken by NPA and OPS to encourage larger imports of foreign copper.

MISCELLANEOUS FARM SUPPLIES - Inventories of bale ties and baling wire are such as to permit an orderly harvest of this year's hay and straw crops notwithstanding the work stoppage in the steel industry. The domestic production and imports of cotton bale ties during the first 5 months of 1952 were at a rate which will permit a 30-day work stoppage in the steel industry without jeopardizing 1952 agricultural requirements. A survey of available foreign supplies is being made to determine if imports can be stepped up sufficiently to off-set loss of domestic production if the steel strike should be prolonged.

TRUCKS- Inventories at present appear ample to take care of farm needs for some time to come. Total inventories in dealers' hands are about 135,000 vehicles or 4½ trucks per dealer which is about a normal dealer inventory at this season of the year.

Manufacturers are restricting production of some models and sizes due to an anticipated shortage of steel but general production is continuing - no sharp reduction in production is expected before the end of June.

RUBBER TIRES - While current inventories of tractor and implement tires are less than three fourths of the level considered desirable to meet the high replacements expected this year, careful distribution has prevented the occurrence of any real shortages - supplies should be adequate for the remainder of the year if production is maintained at the current level.

Manfacturers' inventories of truck and bus tires at the end of April total 2,710,000 tires as compared with approximately 2,000,000 at the end of January. Production in April was approximately 1,360,000 tires - about 10% below the average rate for the first three months of 1952.

SLI BATTERIES - are in ample supply. Supplies of internal combustion engines are ample and reasonably prompt deliveries can be obtained on most sizes and models. Electric motors are in relatively free supply. Production of ammunition for control of predators appears to be ample to satisfy demand. Hand and edge tools are expected to continue in ample supply throughout 1952 although supplies for spring use in 1953 may be curtailed if the steel strike is prolonged.

PETROLEUM- Availability of petroleum products for the coming winter is not expected to be affected by the interruption in steel production provided the strike is not prolonged beyond 30 days. Most petroleum fuels are in free supply notwithstanding the recent work stoppage in the petroleum refining industry.

UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Washington 25, D. C.

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A BRIEF SUMMARY OF THE SUPPLY SITUATION
NON-FOOD MATERIALS AND FACILITIES

September 29, 1952

The supply outlook for controlled materials during September continued to be highlighted by the disruptive influences of the early summer steel strike. Because of the considerable time spread between the production of raw steel and fabrication of end-products, it may be as long as six months before all effects of the strike will be known.

The over-all effects of interrupted steel production upon industrial areas of interest to USDA now are somewhat clearer. It appears that in the areas of farm and food processing machinery and equipment, unfavorable effects of the steel strike will be prolonged only to the extent that these industries require heavier forms of steel. However, the shortage of nickel-bearing stainless steel continues to be a problem in the case of food processing machinery. The tightest forms of steel products seem to be wide-flange structural shapes, heavy plate and bar stock which may continue short until the middle of 1953. For agricultural supply items which use only the lighter forms of steel, such as containers, nails and fencing, the supply difficulties are now expected to be of short duration.

Production of food processing and farm machinery and food processing and wholesale distribution construction which require structural and plate steels are beginning to feel a severe pinch which is likely to continue through March 1953.

Over-all, the steel industry has regained its pre-strike production rate much sooner than was anticipated. The American Iron and Steel Institute reports that total domestic production of steel for the week ending September 13 attained a rate slightly higher than the corresponding period last year. Barring setbacks, such as a shortage of iron ore from an early freeze-over of the Great Lakes, or a possible prolonged interruption in coal production, steel production should continue to gain steadily as new production facilities come into operation. It is also reported that conversion steel is being utilized at a high rate, especially by the automobile industry. Reports from steel mills indicate that the military is not taking all the set-asides directed by NPA. In consequence, the balance between supply and demand may be achieved more rapidly than was at first anticipated.

The current supply picture is much more favorable for the other controlled materials - copper and aluminum. Production in general is keeping up with demand.

The Defense Production Administration has geared its first quarter 1953 program to provide 100 percent of the requirements of the direct defense claimants. Other claimants, including USDA, have generally been restricted to the outstanding advance first quarter steel allotments - for USDA this amounts to about 60 percent of the relatively favorable third quarter 1952 allotments. It is anticipated that DPA will take action very shortly to extend by one month the period during which first quarter CMP steel "tickets" will be valid - or through the end of April 1953. This is expected to restore a balance in steel usage early in the second quarter of 1953.

CONTAINERS - Inventories of metal can plate in can manufacturing plants are reported to be at the lowest level in many months. Supplemental allotments of tin plate for the fourth quarter of 1952 and the first quarter of 1953 have been requested by NPA in amounts necessary to provide material for preparatory work and place manufacturers in a safe inventory position to meet the peak requirements during the third quarter of 1953. The capacity of the tin plate industry is considered sufficient to meet can industry requirements if adequate materials are authorized.

Currently, the most critical problem in the container area is inability to obtain galvanized sheet for gum rosin drums. OMF is endeavoring to obtain assistance from NPA to provide drums to pack the balance of the 1952 gum rosin crop.

FERTILIZER - Key developments in the fertilizer area during the month were issuance of the "Fertilizer Situation for 1952-1953", a meeting of the Fertilizer Industry Advisory Committee, and formal announcement on September 11 of the Nation-wide program for more efficient use of fertilizer and lime.

The "Fertilizer Situation" reports that the aggregate 1952-1953 supply of the three primary plant nutrients is expected to exceed by approximately 12 percent the record quantity available for use in 1951-1952. The 1952-1953 nitrogen supply is expected to total about 1.585 million tons (N), which would be an increase of slightly more than 11 percent over the reported 1951-1952 supply of 1.425 million tons. The 1951-1952 figure represents a slight increase over the previous estimate, included in the July report, of 1.418 million tons.

The 1952-1953 supply of available phosphate is now forecast at 2.465 million tons, P_2O_5 basis, which represents an increase of about 10 percent over the 2.235 million tons which were put into domestic trade channels in 1951-1952. In addition, it is estimated that from 300 to 350 thousand tons, P_2O_5 basis, can be expected to be available in the form of ground phosphate rock and other similar materials. The 1951-1952 figure is about the same as previously reported.

Potash supplies in 1952-1953 are now expected to total approximately 1.850 million tons, K_2O basis, about 17 percent more than the reported 1951-1952 supply of 1.585 million tons. This 1951-1952 figure represents an improvement over the previous estimate of 1.515 million tons, K_2O basis.

It is contemplated that 1952-1953 estimates will be refined in the next issue of the "Fertilizer Situation", which is scheduled for release in January 1953.

Members of the Fertilizer Industry Advisory Committee, which met in Washington on September 19, heard reports on 1952-1953 crop goals, the fertilizer supply situation, the status of the production-expansion program, the USDA Land-Grant College fertilizer and lime use program, and future fertilizer needs. Following presentation of this information by USDA and NPA officials, committee members engaged in a general discussion which centered principally about industry participation in the fertilizer and lime use program.

Committee members expressed the opinion that nitrogen supplies would remain short in 1953 despite the prospective increase in production. They expect phosphate supplies to be more nearly adequate during the coming year, and believe that potash supplies will be sufficient to meet all requirements.

The Committee indicated that the industry is not experiencing too many current supply problems, although concern was expressed over the possibility that steel shortages may delay the production-expansion program. It also was brought out that failure to obtain sufficient quality steel plate for the fabrication of anhydrous-ammonia tanks is posing a very serious problem.

PESTICIDES - Tentative estimated requirements for the major pesticides during the 1952-1953 crop year have been submitted to NPA. Since quantities which will be needed are dependent upon several unpredictable factors, requirements were developed to show both the quantities estimated to be necessary to control maximum pest infestations likely to be encountered and quantities for probably minimum over-all pest conditions. Except for a few materials, reported accumulation of most pesticides is such that apparently no strain will be placed upon the supply of basic raw chemicals or upon production facilities in meeting the estimated requirements during the next crop year.

FARM MACHINERY - Most items currently needed by farmers are available but in some instances it may be necessary for them to shop around to find the exact make or model desired.

Less optimistic is the outlook for supplies of farm machinery and equipment needed to plant and cultivate the 1953 spring crops. It now appears that the supply of machinery for the first part of 1953 will fall short of the supply for the comparable period in each of the three

preceding years. This outlook is influenced by the curtailed supply of steel as a result of interrupted steel production and the current work stoppage in most of the plants of a major producer of farm machinery and equipment.

FOOD PROCESSING EQUIPMENT - The situation in this area is: (1) More food processors are unable to obtain delivery of food processing machinery without ratings because of the cutback in the rate of manufacture of this equipment; (2) NPA has, for the most part, granted requests from manufacturers of food processing machinery for supplemental allotments of materials for the fourth quarter.

MISCELLANEOUS FARM SUPPLIES - The BAE September Cotton Production Report indicates that 13,700,000 running bales will be produced. This number of running bales plus 1,550,000 bales of linters will require approximately 64,000 tons of bale ties. Since this report was published, CMF in conjunction with NPA, has surveyed the supply situation. Ample supplies appear to be in prospect.

Several producers of fabricated wire corn cribs have requested priority assistance to obtain steel in time to produce bins for storing this year's crop. So far, CMF has been successful in getting shipping dates moved up into September and October. Shipments were previously scheduled to be made in November or December.

Shipments of farm tractor and implement tires in the first seven months of 1952 totaled about 2-3/4 million as compared with 3 million during the same period in 1951. However, inventories at the end of July 1952 totaled 740,000 in contrast to 360,000 on the same date in 1951.

Inventories of truck tires in the hands of manufacturers at the end of the first seven months of 1952 were slightly more than 3 million as compared with about 1 million on the same date in 1951.

Allocation of brass strip for civilian small-arms ammunition for the fourth quarter 1952 has been increased from the advance allocation of 3,500,000 pounds to 4,970,600. This will permit ammunition production at about 70 percent of the normal output, including exports. Apparently, production has been meeting essential needs for predator control on farms and ranches as no complaints of shortages have been received.

Pressure canner production appears to have met all demands and inventories are reported to be ample.

AGRICULTURAL CONSTRUCTION - The supply situation for steel has necessitated considerable rescheduling of allotments for construction of processing and storage facilities. It now seems evident that rescheduling will be necessary for many projects which require structural steel during the fourth quarter 1952, first quarter 1953 and possibly even the second quarter of 1953, in order to assure that the limited USDA allotments of structural steel can be made available for those projects which are most urgent and essential under the food program. Even with such rescheduling,

however, it is possible that USDA steel allotments may not be sufficient to take care of all the urgent projects for which applications are now on hand or for which applications may be received during the next two or three months.

CONSTRUCTION CASES RECEIVED - As of September 22, CMF has received 2,703 construction applications. Of this number, 98 were transferred to other agencies; 201 returned for self-certification; 164 cancelled; 2,061 approved; 148 denied and 31 in process.